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the number of commodities, or other conditions mentioned at the beginning, and differences due to differences in formulae almost disappear if we get rid of even the crudest bias.

Properly used index numbers are a precise tool, precise far beyond our needs, precise within much less than 1 per cent.

DISCUSSION

By WESLEY C. MITCHELL

The index number which Professor Fisher proposes seems to me excellent. Indeed, it is "the best index number" known to me for the particular purpose he has in view. Further, that purpose is an important one, covering as it does most of the uses to which what I call "general-purpose" index numbers are commonly put. But I cannot admit that even perfect adaptation of an index number to any use however important entitles it to be called "the best index number" at large.

This issue is much more than a verbal quibble. So far, most makers of index numbers of prices at wholesale have been designing "general-purpose" series. But the time has come when we are beginning to make a wide variety of index numbers especially adapted to particular uses. And we must go further in that direction. In doing such work the compiler should first define as accurately as may be the use which his new series is to serve, and from this use he should deduce the form of index number which is "the best" for him. This criterion of use should determine the number of commodities to be included, the basis on which commodities are selected, the scheme of weighting, and the type of average. What is best in all these respects for one use may be bad for another use. There cannot conceivably be an index number that is "the best" for all uses.

In fine, I think Professor Fisher has tarnished somewhat his excellent contribution by using incautious language implying universal merits in his formula. His very eminence in this progressive field of work makes that slip important. The path of future progress lies in differentiation. Yet if we took Professor Fisher at his word, we should never produce anything but one admirable kind of "general-purpose" series.

DISCUSSION

By C. M. WALSH

In the first place I wish to make an acknowledgment of appreciation for the flattering remarks with which Professor Fisher has referred to my book. In return I must express my wonder at the stupendous labor he has performed in applying so many complex systems of